



**Justin P. Wilson, Comptroller**

**May 4, 2015**

## **Former Elizabethton Water Clerk Steals Money**

A special investigation by the Tennessee Comptroller's Office has found that Lisa Cipy, a former clerk with the Watauga River Regional Water Authority/North Elizabethton Water Cooperative, stole at least \$11,325 in utility cash collections between March 2014 and September 2014.

Ms. Cipy concealed the theft by falsely voiding the stolen customer cash payments in collection records, or by never recording the stolen customer collections in the district's accounting records.

Comptroller investigators obtained copies of certain customer receipts indicating these customers had paid their bills with cash. Investigators and district staff members also determined there was no legitimate reason for other transactions to be voided by Ms. Cipy.

To avoid detection Ms. Cipy removed the bills of customers whose accounts had been manipulated before they were mailed so that the customer could not see that their current bill was incorrect. In addition, Ms. Cipy removed the related customer names from the monthly cutoff list of delinquent customers.

Lisa Cipy resigned from the district after Comptroller investigators performed a surprise count of her cash drawer and found it to be \$100 short.

On March 2, 2015, Lisa Cipy was indicted by the Carter County Grand Jury on one count of theft over \$10,000.

"There is always a risk when cash is involved in business operations," said Comptroller Justin P. Wilson. "It is important that adequate safeguards are in place to ensure accountability and the integrity of the employees involved."

To view the special investigation report online, go to: <http://www.comptroller.tn.gov/ia/>.

If you suspect fraud, waste or abuse of public money in Tennessee, call the Comptroller's toll-free hotline at (800) 232-5454, or file a report online at: [www.comptroller.tn.gov/hotline](http://www.comptroller.tn.gov/hotline). Follow us on twitter: [@TNCOT](https://twitter.com/TNCOT)

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